DOCUMENT RESUME

ED 063 877 HE 003 129

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TITLE Fund-Raising and the Trustee.
INSTITUTION Union of Independent Colleges of Art, Kansas City, Mo.
PUB DATE Jan 72
NOTE 13p.; Paper presented at the Trustee Seminar: "The Arts and the Economy," Union of Independent Colleges of Art, Jan. 30-31, 1972

EDRS PRICE MF-$0.65 HC-$3.29
DESCRIPTORS Educational Administration; *Educational Finance; *Financial Support; *Governance; Governing Boards; *Higher Education; *Trustees

ABSTRACT

Public trustees are highly beneficial to colleges and universities for 3 major reasons: (1) board members are likely to give their institutions needed financial support; (2) the presence of well-known names on a board gives other donors, whether they be governmental bodies, individuals, or foundations, more confidence in both the management of the enterprise and the likelihood of it continuing on the path toward its stated objectives; and (3) public board members are a valuable source of advice, little affected by the power structure and power flows within the institution. However, trustees can really only be beneficial if they are well organized into committees and groups where they can be effective. It is essentially up to the college president to see to it that the board members are utilized to their fullest capacity. (HS)

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TRUSTEE SEMINAR: "THE ARTS AND THE ECONOMY"
Union of Independent Colleges of Art
January 30 and 31, 1972
at
The San Francisco Art Institute and The California College of Arts and Crafts

"Fund-Raising and the Trustee"
by Mr. Atherton Bean, Trustee
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When Arnold Herstand asked me some months ago to comment to this august assembly on trustee responsibility for fund-raising, I told him that I thought the subject could be covered in a very short speech. It would consist of six sentences. The first three, addressed to the trustees, would be: "You are a trustee. There is money to be raised. Go do it." The next three, addressed to the Presidents would be: "Trustees can be a great asset. Keep them interested. Make them work."

But that would be too easy. You would not feel satisfied unless you got a more elaborate argument even though the extra decoration I shall add provides little more information and no more wisdom than those initial sentences, though I shall modify their bluntness somewhat.

Before we talk about what trustees ought to do if anything, I want to set forth the assumptions against which I am making my comments. I know that later on Mr. Helzel is going to talk about "Trends in the Economy

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and the Implications for Fund-Raising." I do not want to overlap his field, and I do not think I shall. But I have to talk about trusteeships in a particular social and economic context.

About a dozen years ago, Peter Drucker authored a book named "Landmarks of Tomorrow." The opening paragraph reads as follows:

> "At some unmarked point during the last twenty years, we imperceptibly moved out of the modern age and into a new, as yet nameless, era. Our view of the world changed; we acquired a new perception and with it new capacities. There are new frontiers of opportunity, risk and challenge. There is a new spiritual center to human existence. The old view of the world, the old tasks and the old center calling themselves "modern" and "up to date". . . just make no sense any more."

This was the "brave new world" which by now has acquired a number of names. Zbigniew Brzezinski calls it the "post-industrial society," and Alvin Toffler, the "super-industrial society," and many have called it the "knowledge society." It has spawned a new breed of managers and a changed social view. Much that is truly new, truly unprecedented is stirring in these United States. This is why, despite our own internal questionings, two Frenchmen, Jean-Jacques Servan-Schreiber and Jean-Francois Revel have been inspired to write "The American Challenge" and "Without Marx or Jesus."

Illiteracy here has virtually disappeared. So have malnutrition, tuberculosis and passenger trains. For colossal numbers of Americans, at least 175 million today and before very long to pass 200 million, the problem of daily worry over food, shelter, clothing and health is or will be pretty well behind them. My sons live by different assumptions from those that my wife and I had just out of college--and I think theirs are better and

healthier. There is a new freedom which has released an enormous upsurge in new life styles and not just among beatniks, hippies, and yippies. This new sense of freedom is felt not just by the top one, two or three per cent of the society but by 85 or 90 per cent of it.

For decades the proportion of self-controlled as opposed to occupation-controlled time has been rising. It is now more than double the latter. If the work week declines to 30 hours--and there are lots of 35 and 37 hour weeks already--then our non-occupation hours will be three times those spent on the job. If they become 24, the ratio is 4 to 1. It is quite clear that we are well past the threshold where self-controlled time became not only by far the biggest part of one's life but obviously the most important part.

These self-controlled hours are customarily called "leisure time." I do not like the term because it connotes doing little and doing even that just for personal gratification, interpreted in the narrowest possible sense. Tens of millions of people are already finding that kind of life impossibly dull. Remember this has become an educated society. Trained minds do not turn off like an electric light the moment the economic day has ended. The wheels keep turning because working the mind, exercising and training one's sensibilities is exhilarating. Leaving them idle is boring. We have clearly left the era wherein success is measured solely by progress up the economic scale. There are scores of very good people who are choosing to progress by sliding downward in the economic scale--this in order to keep their cultural trajectory moving steadily upward. The occupation-liberated human psyche is certain to be the central social concern of these coming decades.

This lands all of us, but more particularly you Presidents, squarely in the middle of the educational and cultural scene, bringing with it all the problems and, some say, threats of what Dwight McDonald calls "mass-cult." The importance for man that you have long asserted for your fields now has a rather frighteningly receptive audience. The recognition you once struggled for is now being thrust upon you. You are front and center on the social stage. This is a demanding, dangerous place to be--especially so because you run non-profit institutions, and "non-profit" is just a euphemistic way of saying "sure-loss," which in turn means that the immediate consumer does not pay all the costs and consequently a continuing flow of outside resources is a necessity.

When one talks about "Fund-Raising and the Trustee," I assume we are talking about the trustee who is not a member of the staff. And I think we first must ask ourselves whether we ought to have public trustees and only if we decide we should, do we then ask how we ought to pick them and what they ought to be asked to do for their particular "sure-loss" institution.

I am not interested in how you Presidents came to be saddled with such trustees but rather whether we have any value in the social context of the next decade or so. Or to reverse the statement, is there any point in those of us who are public trustees dedicating our non-paid, non-occupation-controlled time to struggling with educational problems as compared with assigning those hours to the myriad other interesting things that tempt us? In what may seem like an aside but is very central to this point, I want to comment on one of the persistent myths of today's youth and college

faculties, namely that man in industrial societies has been reduced by the proliferation of the machine and the computer, etc. to a choiceless existence. Jacques Ellul is one of the gurus of this world view. Some of you may have read his "The Technological Society" in which he makes such statements as "the human being is no longer in any sense the agent of choice" and "in the future, man will apparently be confined to the role of a recording device." To me testing and refuting the generalization requires only a visit to a super-market to choose which box of detergent or to an auto dealer to try to decide on which of the hundred different possible combinations will be my automobile.

I want rather to talk directly to you trustees in this room. If your life is like mine--and I strongly suspect that it is--to say of ourselves that we are "no longer in any sense agents of choice" is absurd. Mr. Ellul and his cohorts may be automatons manipulated by Madison Avenue or wherever, but I am confident that I am not and I can assure you that my college-educated wife is not. Our problems stem not from lack of choice but from the pressing dilemmas of what Alvin Toffler calls "over-choice." There are such scads of stimulating things to occupy our minds and our hands, to stretch our imaginations and our legs that we spend a good part of our time trying to decide what to tackle next.

It is quite clear to me that we do not need to be trustees in order to keep ourselves occupied and we should not be bothering college presidents or college professors with our judgments or our ideas if we are a nuisance or a hazard. But there are a great many voices saying that we are both nuisances and hazards.

Five or six years ago, I went to a meeting in Los Angeles on "The University and the Future" convened by Robert Maynard Hutchins' Center for the Study of Democratic Institutions. A sociology professor from Michigan delivered a scathing denunciation of both the institution and the character of public trusteeship and this was echoed by a sophomore from Swarthmore, a senior from UCLA, and a graduate student from Berkeley. Those of you who serve on the boards of colleges that have reasonably vocal student bodies have undoubtedly seen and heard yourselves described in highly uncomplimentary terms, with the plain implication that the place would be a lot better off if you and your kind had neither part nor place in running the institution. You have doubtless read some of the nasty things that Katherine Kuh has not infrequently said about the trustees of museums in the Saturday Review. And lastly, turning to you Presidents, I suspect that there have been days when you have wanted to get rid of the whole crowd because you could handle the place much better without them. Of course, if the trustees would just devote themselves solely and successfully to raising money for you to spend, that might be different ! ! ! But they will not; so you have to either endure them or get rid of them. Once eliminated, you could run the place all by yourself, persuade your various loyal fund sources to give you the moneys you need for your obviously indispensable programs, and lead a quieter, happier, more productive life. I for one have no objection. I suspect that none of the other trustees in this room would be outraged--providing you got rid of us with properly syncopated expressions about the value of past services. If the concept of public board members no longer serves a purpose, it should be dropped.

The argument for public members on Boards of Trustees is usually put in these terms:

(a) Board members are likely to give you needed financial support;

(b) The presence of well-known names on a board gives other donors, whether they be governmental bodies, individuals or foundations, more confidence in both the management of the enterprise and the likelihood of it continuing on the path toward its stated objectives.

(c) Public board members are a valuable source of advice, little affected by the power structure and power flows within your institution.

I happen to believe that these are all valid and valuable points. The first re support is pretty obvious. The fact of the matter is that public board members are frequently important sources of financial help, and they should be. If a person has assets and knows a good deal about an institution and does not give some of those assets to it, then it must be assumed that he is not convinced of its value to the community. Someone may well ask whether if a person of means on a board fails to contribute in a measure proportionate to his means, he should be asked to drop off. I think he should, and I have personally participated in a number of such instances. I happen also to find annoying the argument that the contribution of time is the equivalent of money and that this justifies the person of substantial income and means contributing few dollars. We need money as well as time, and money has to come from those that have it. I consider this argument just a dodge.

On large boards, you can afford a few decorative trustees, but not many. I don't believe in letting people wear board memberships like costume jewelry--

conspicuous and cheap. The problems of growing institutions like colleges are so numerous and so important that they require many willing hands and heads to keep them going. This requires elimination of the complacent drone.

The second item points to an aspect of the public image of the institution. I suspect that a college with no public trustees would slowly lose visibility and very likely credibility. I have often worn the different hats of solicitor and solicited, and I know how frequently the question is asked, "Who is on your board?" I know how much well-known names help in getting money and also how they fortify one's confidence when you are trying to contribute moneys responsibly. I doubt that an institution with no board or one made up entirely of staff members--regardless of their virtues--could raise much money very long .

The third point, in my view, is as important to the long-run welfare of a college as either of the previous two. The knowledgeable but disinterested voice is very necessary not merely in adding another dimension of experience in dealing with the problems that will arise within the institution, but more clearly still with respect to the changing forces and attitudes in the surrounding community. This is why we have outside directors on corporate boards and why, for instance, public trustees were put on the board of the Mayo Foundation beginning 17 years ago. There incidentally is an institution that for its first fifty years was run entirely by an insider board--doctors and administrators--but they were neither seeking nor accepting outside funds. Today they are actively doing so to support their educational and research activities. That Board is now 40% public and within a year or two a majority will be public trustees.

Net, I come out of this kind of consideration with a distinct bias in favor of a board made up largely of public trustees for any institution which has to draw on the general public, whether that be governments or various kinds of non-affiliated donors to support its programs. The negative voices make valid points whenever they can fasten on a board that obviously does little or nothing and has not kept the institution abreast of the times, but that argues for change in that board, not for the elimination of the concept.

If you are willing to accept my judgment that public trustees have at least potential value, we can now ask, 'How do you pick them?" Here again there has been a great deal of criticism of boards as self-perpetuating oligarchies, and I suspect it is pretty well justified. We are increasingly an educated and egalitarian society and as millions more become active and interested in the areas where you work and for which you ask both private and governmental moneys, it is both wise and necessary that these voices be heard in board councils. The fact that it is difficult to find representative and responsible voices for these newly-conscious groups is no valid reason for not seeking them out and bringing them in.

Basically I think one should pick trustees the way I believe in picking directors for corporate boards--because they can bring information, experience and judgment and not just because they are rich, prominent, or vocal. As I have said earlier, a large board can afford a limited number of decorative trustees, but most of them have to be picked because they will work and because they are capable of doing the jobs that must be done. It may be a good

short-term public relations ploy to have a comfortably representative board with every decile of the community profile installed, but if you do not have workers who can get in the proper doors or reach the proper ears, you are sunk. No one should be invited to go on a Board without being told that work will be expected of him. None should ever be enticed with that self-defeating phrase: "This really won't take any of your time." If a person is not willing to contribute time and thought, you should not invite them in and they should not join.

I am sure you do not expect me to talk about fund-raising organization or methods, but I suspect it is wise to say that if Trustees are to carry any responsibility, they must be properly organized for and informed about it. Trustees cannot be expected to be self-energized in relation to college needs or problems. They will not be. They do not know enough to move with confidence; so most of them will not move at all. No college president should complain about his trustees not working if he has not outlined explicitly what their responsibilities are. To say solemnly and portentously before thirty or thirty-five well-intentioned but unorganized people, "We need 'blank' dollars this year and every one of you must help" is to say nothing at all unless it is followed by the assignment of specific tasks.

I have often had the impression in reading articles by commentators on the educational scene--professional or student--that they think the only responsibility trustees have is giving or raising money. Such an assertion is both bad public relations and bad policy. No person of stature wants to be known simply as a money raiser--except perhaps a professional money-raiser.

And no college wants the reputation as a place where you can buy a seat on its board.

But quite aside from that, there are lots of important facets of running a college toward which trustee energy and time can be well directed--money-raising is one but only one of them. You have legal problems, long-term planning problems, public relations problems--the list is endless and a board that is wisely chosen will represent many separate skills in its membership. And then, of course, they must be put to work.

Should a trustee expect to be called on to raise money? He certainly should if he is any good at it. But some trustees are not. It is foolish and futile to press such people to undertake that kind of activity. They should be used for something else. But while you may excuse some from money raising, you cannot excuse everyone--at least not if you have large and continuing needs.

There are two principal reasons for using trustees in fund-raising efforts:

1. Because it spreads out the job. Large sums must be raised from many sources. College presidents may be startlingly energetic, but they really ought to be allowed some time to be educators.

2. Because there are some places that a trustee can go and some sums that he can ask for and get that the college president can not.

The first item speaks for itself. The second is less obvious but more important. There are a couple of aphorisms in the fund-raising business that bear repeating: (a) the best solicitor is one who has already contributed; (b) the best way to get a big donation is to put the solicitation in the hands of a man who has already made a big one himself.

We in the business world know an astonishing amount about one another these days. It used to be only the bankers who had definitive knowledge of a man's or a company's net worth, but now anyone who will dig can find out a lot. For example, just think what information proxy statements and prospectuses carry and if you want even more, get a copy of the 10-K form which every corporation of any size has to file with the SEC every year. Such information is likely to be used more boldly and more forcefully by one non-educator to another than be a soliciting college president. Once in a while I hear this kind of remark: "I can't ask him for that much money. Why, he's one of my best friends." I have never heard that kind of modesty in the mouth of an experienced business executive and it never seems to trouble my friends who knock on my door looking for money.

May I return again to the social context of fund-raising. Though there is much talk about a "no-growth" economy, I do not believe we are going to opt for that alternative. The momentum of this enormous economic engine that is the United States is very great: we shall continue to grow. There are those who sit in corners and wail about the demise of the great patron and the great fortune. But the fact is: there are more millionaires and more great fortunes today than there have ever been. We have our share of economic and social Neanderthals, but most of the new plutocrats are college-educated and an enormous number of them have advanced degrees. They can not escape the knowledge that every dollar that was invested in their education was matched by at least one additional one from some generous donor of the past--or by some taxpayer, a lot less able to stand the tax man's bite than they

are. Man may be instinctively selfish, but he can be taught to be generous, and our rising generation of managers and entrepreneurs have been so taught. They give. Not enough, but a lot more than their predecessors. We must ask those who have been subsidized by the past to pay their debt be subsidizing the present and the future.

So I end up with these words re trustee responsibility for fund-raising: To you Presidents: "Trustees can be a great asset. Keep them interested. Make them work." To you trustees: "You are a trustee. There is money to be raised. Go do it."